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JORDAN CEMENT FACTORIES

I. Description of Enterprise

A. Describe, item by item, the functioning of such enterprises and state, in particular, whether the enterprise deals with exports or with imports, or both?

Jordan Cement Factories was established in 1951 as a public shareholding company for the purpose of supplying the Jordanian market with all its cement needs.

Jordan Cement Factories is the sole producer, importer, and exporter of all the Hashemite Kingdom of Jordan's cement needs.

As a result of a fifty-year concession agreement with the Government of Jordan, which will end in the year 2001, Jordan Cement Factories has the exclusive right to search, extract and produce cement and cement by-products in any area or land of the Hashemite Kingdom of Jordan for the purpose of supplying the local market with all its demand for cement.

Jordan Cement Factories also has the right to trade in cement and cement by-products in the Hashemite Kingdom of Jordan and abroad either directly or indirectly through means it deems suitable. It also has the right to engage in activities that it judges as advantageous, whether mentioned or not mentioned in its charter, and in general to execute all objectives mentioned in its charter.

Jordan Cement Factories is the sole importer and imports to sell locally whenever there is shortage in its supply to the local market that cannot be met through the capacity of its factories.

As a result of the concession agreement, Jordan Cement Factories has the right to import its requirements for material, equipment, and tools exempt from custom duties through special legislation, with the exception of certain items.

Jordan Cement Factories' current registered capital is JD 60,444,460 divided into 60,444,460 shares. Its shares are traded on the Amman Financial Market.

As of December 31, 1999, distribution of shares was as follows:

43%	La Farge
27%	Jordanian investors including employee ownership
14%	Jordan Investment Corporation.
9%	The Social Security
7%	Non Jordanian

Jordan Cement Factories currently has two factories. One is in Fuhais, and the other is in Rashadieh.

B. Whether private traders are allowed to import or export and, if so, on what conditions?

Private traders are not allowed to import. However, Jordan Cement Factories contracts with local agents for export of its production that exceeds cement demands of Jordan. This is in addition to an export terminal in Sudan. Currently, the company exports directly its exportable production.

C. Whether there is free competition between private traders and the State-trading enterprise?

There is no free competition with the private traders. Jordan Cement Factories is the sole importer and exporter of cement under a concession agreement, which is scheduled to end in 2001.

D. The criteria used for determining the quantities to be exported or imported. How export prices are determined. How the mark-up on imported products is determined. How export prices and re-sale prices of imports compare with domestic prices?

The criteria used to determine the quantities to be exported are, after providing the local market with its cement needs and the strategic storage quantity for fulfillment of local demand, based on production capacities, market prices, and other factors related to profitability. Therefore, export prices are based on international prices.

Cement is imported only if local demand cannot be met through local production, a case that has not happened since the 1980's. However, if the importation of cement is required, the resale price of the imported cement is the same as that set for locally-produced cement, even if the imported cement must be sold at a loss. Therefore, the sale price of the imported cement is the same agreed-upon price of the locally produced cement.

The price of locally-produced cement sold in the local market is calculated based on a formulae that includes the total cost of production plus a minimum of 6% profit and a maximum of 15% profit, which is calculated based on an aggregate five year period.

E. Whether long-term contracts are negotiated by the State-trading enterprise; Whether State-trading methods are used to fulfill contractual obligations entered into by the government?

Long-term contracts are negotiated by Jordan Cement Factories. These contracts are mostly technical in nature. State trading methods are not used to fulfill contractual obligations entered into by the government.

II. Statistical Information

Jordan Cement Factories

Product / year	1999	1998	1997	1996
Clinker				
National Production- ton	2.4 million	2,441,674	3,054,508	2,982,979
Production of enterprise- ton	2.4 million	2,441,674	3,054,508	2,982,979
National Production-USD	N.A	66,404,939	78,370,155	71,542,082
Production of enterprise-USD	N.A	66,404,939	78,370,155	71,542,082
National exports in tons	197,000	144,082	0	0
Company exports in tons	197,000	144,082	0	0
National exports in USD	5,300,000	4,178,384	0	0
Company exports in USD	5,300,000	4,178,384	0	0
National imports in tons	0	0	0	0
Company imports in tons	0	0	0	0
National imports in USD	0	0	0	0
Company imports in USD	0	0	0	0
Cement				
National Production- ton	2.7 million	2,650,279	3,250,484	3,512,190
Production of enterprise- ton	2.7 million	2,650,279	3,250,484	3,512,190
National Production-USD	N.A	98,268,408	116,256,977	118,483,285
Production of enterprise-USD	N.A	98,268,408	116,256,977	118,483,285
National exports in tons	445,000	429,522	975,537	951,215
Company exports in tons	445,000	429,522	975,537	951,215
National exports in USD	11,299,000	11,545,983	35,087,637	38,621,156
Company exports in USD	11,299,000	11,545,983	35,087,637	38,621,156
National imports in tons	0	0	0	0
Company imports in tons	0	0	0	0
National imports in USD	0	0	0	0
Company imports in USD	0	0	0	0
Clinker and Cement Sales(JOD)	95,000,000	92,515,575	104,114,142	109,570,767
Clinker and Cement Sales(USD)	133,950,000	130,671,716	147,053,873	154,760,970

III. Reasons why no foreign trade has taken place (if this is the case) in products effected.

Jordan Cement Factories has not imported in more than five years because its production capacity currently meets local demand and its fluctuations. Export activity has been noted. Please see section II.

IV. Additional Information

None

JORDAN PETROLEUM REFINERY Co. Ltd. (JPRCL)

I. Description of Enterprise

A. Describe item by item, the functioning of such enterprise and state in particular whether the enterprise deals with exports or with imports or with both?

JPRCL was established in 1956 as a public shareholding company. Currently 52% of the issued share capital is owned by individuals, 11% by companies, 12% by banks, 17.5% by government, 7% by Savings and Provident Funds, and .5% by others. JPRCL is registered in Amman Financial Market (AFM) and its shares are traded publicly to local and foreign investors subject to the laws and regulations of AFM.

JPRCL's main activities and functions include:

- Refining and processing crude oil to meet local demand for the following hydrocarbon products: Liquid Propane Gas (LPG), Gasoline, Avtur, Kerosene, Light Gas Oil, Fuel Oil, and Asphalt.
- Producing lubricating oil under the brand name of JOPETROL.
- Bottling of LPG and maintaining LPG cylinders.
- Servicing airport station to provide national and international carriers with fuel.

Law No. (19) was issued to approve the concession agreement signed between the Government of Jordan and JPRCL. The concession agreement, which is valid for fifty years, grants JPRCL the exclusive rights to establish and invest in facilities for refining and processing petroleum and hydrocarbon products and derivatives; to store and distribute these products; and to own and lease land. The company also has exclusive rights to import oil and hydrocarbon products necessary for local use. Concession agreement is valid through year 2008.

JPRCL was also granted an exemption from all fees and customs duties charged on goods and materials imported for the company's operations in addition to raw material imported for its refining use.

Import activities:

Crude Oil: JPRCL imports crude oil under protocol agreement in coordination with the government.

Hydrocarbon products: JPRCL imports hydrocarbon products under protocol agreement in coordination with the government.

LPG and base oil: JPRCL imports base oil under protocol agreement in coordination with the government.

Additives and other materials: JPRCL purchases additives and other materials through tenders.

LPG Cylinders: JPRCL manufactures and imports LPG cylinders to meet local market demand through tenders. JPRCL is the sole importer.

Exports activities:

JPRCL does not export any of the refined or other related material mentioned above. No export activities are conducted.

B. Whether private traders are allowed to import or export and, if so, on what conditions?

Private traders are not allowed to import crude oil, hydrocarbon products (LPG, gasoline, fuel oil and light gas oil), base oils and additives and LPG Cylinders.

Private traders are allowed to import lubricating oils, but they are not allowed to set up manufacturing operations of such oils.

Export activities do not take place.

C. Whether there is free competition between private traders and the State trading enterprises?

There is not free competition between private traders and the State traders except in the sale of lubricating oils. JOPETROL (brand name) lubricating oil, produced by JPRCL, competes with other imported products in the local market and is estimated to have over 80% of the local market share.

D. Criteria used for determining the quantities to be exported or imported.

Quantity of imports is based on the country's demand. JPRCL, in coordination with the government, determines a yearly import plan which specifies the quantities of raw materials and finished products to be imported taking into consideration the production requirements and capacities of the refinery. All other trading activities are the sole concern of JPRCL and are tendered in the local and international markets.

No export activities take place.

E. How export prices are determined; how the mark-up on imported products is determined; how export prices and the re-sale prices of import compare with domestic prices?

According to the terms of the concession agreement, the Government of Jordan has the right to determine and control prices of oil, crude oil and products supplied for local consumption. JPRCL should submit to the government a detailed statement of the production costs and on that basis sales prices and mark-ups are determined.

The cost price of crude oil supplied by the government is determined using the following equation:
$$\text{Cost of Crude Oil} = \text{Revenues} - (\text{Costs} + \text{Net Income})$$

The consumer prices equal the production cost plus fees plus company commissions plus transportation costs plus distributors' commissions. Consumer prices differ from one product to another.

The government sets prices. In setting prices the government takes into consideration the economic situation that is prevailing in the country and the purchasing power of the citizens of Jordan. Prices are not changed frequently.

There are no export prices.

F. Whether long-term contracts are negotiated by the State-trading enterprise; whether States Trading methods are used to fulfill contractual obligations entered into by the government.

State trading methods are used to fulfill contractual obligations for certain materials and products. The following illustrates which of these products this applies to:

Crude Oil: JPRCL imports crude oil under protocol agreement in coordination with the government.

Hydrocarbon products: JPRCL hydrocarbon products under protocol agreement in coordination with the government.

LPG and base oil: JPRCL imports base oil under protocol agreement in coordination with the government. If the amounts required by JPRCL are greater than the protocol quota, JPRCL purchases the additional quantities of LPG and base oil through international tenders.

Additives and other materials: JPRCL purchases additives and other materials through tenders.

LPG Cylinders: JPRCL manufactures and imports LPG cylinders to meet local market demand through tenders.

II. Statistical Information:

Jordan Petroleum Refinery Company

Product/ Year	1999	1998	1997	1996
Hydrocarbon Products/ Tons	3,265,985	3,236,873	3,257,268	3,154,247
Lubricating Oils/ Tons	18,387	19,423	20,166	22,292
LPG Cylinders (12.5 kg)	50,900	56,550	80,000	96,250
Total Production/ Tons	3,284,372	3,256,296	3,277,434	3,176,539
Drums/ Numbers	1,000	1,050	1,377	2,796
Drums with Asphalt/ Numbers	12,000	12,149	12,424	15,231
Imports/ Tons	N/A	N/A	N/A	N/A
Crude Oil/ Tons	3,499,105	3,557,778	3,442,658	3,274,296
Hydrocarbon Products	1,101,543	1,152,660	932,437	1,192,207
Base Oils	14,585	14,268	16,476	23,915
Additives	774	2,446	2,153	2,714
Cylinders (12.5kg)	0	200,000	150,000	150,000
Company production/ JD	406,691,733	413,903,112	391,371,711	351,854,432
Company production/ USD	572,805,258	582,962,130	551,227,762	495,569,623
Company imports/ JD	486,190,129	463,491,583	449,921,520	452,269,443
Company imports/ USD	684,774,830	652,805,046	633,692,281	636,999,215

Source: Jordan Petroleum Refinery Company annual reports.

III. Reasons why no foreign trade has taken place (if this is the case) in products affected.

Foreign trade has taken place. Please see answer to Section II above.

IV. Additional Information

None

JORDAN PHOSPHATE MINES Co. (JPMC)

I. Description of Enterprise

A. Describe item by item, the functioning of such enterprise and state in particular whether the enterprise deals with exports or with imports or with both?

JPMC was established in 1935 as a private company, and was later registered as a public shareholding company in 1953. The government and the private sector jointly own JPMC. JPMC shareholders presently are: Jordan Investment Corporation (42.2%), Social Security Corporation (28.4%), Government of Kuwait (16.3%), Others (7.5%), The Housing Bank (2.5%), Arab Petroleum Investment Corporation (1.3%), Arab Mining Company (1.3%), and Islamic Development Bank – Jeddah (.5%). JPMC is registered on the Amman Financial market and its shares are traded publicly to local and foreign investors subject to the laws and regulations of Amman Financial Market.

JPMC extracts phosphate from four different mines in Jordan. JPMC has “Mining Rights” for these locations, which were granted by the Government of Jordan based on Law No. 12 of Natural Resources 1968 (mining rights No. 1 and 2) for thirty years. Mining rights are subject to re-negotiation and renewal once they expire.

The mining rights for Hasa, Rusaifa and Wadi Al Albiad locations are valid from December 17, 1968 to December 16, 1998. Mining rights for El- Shaidiah location are valid from November 1987 to November 2017.

According to JPMC’s company law, the company has the right to export directly or sell through intermediaries if and only if intermediaries adhere to the marketing policies of the company. For this activity, the enterprise deals with exports.

JPMC’s industrial complex in Aqaba produces different types of fertilizers and fertilizer raw materials, and markets them in the local and international market. Presently, the fertilizer complex produces: DAP fertilizers (DI-Ammonium Phosphate), sulphuric acid, phosphoric acid and aluminum fluoride. JPMC has the right to export directly or through intermediaries if intermediaries adhere to the marketing policies of the company. Other fertilizer companies operate in Jordan and compete freely.

Currently, JPMC is a partner with Indo Jordan Chemicals Co., Nippon Jordan Fertilizer Co., FFC-Jordan Fertilizer Co., and Hydro Agri, Jordan. These companies are totally independent entities registered in accordance to Companies Law in Jordan. These companies have sales agreements with JPMC to buy phosphate and other raw materials from JPMC. Sales agreements are usually valid for ten years and thereafter re-negotiated.

JPMC also is the sole importer of explosive materials used for mining and quarrying purposes in accordance with the Prime Minister’s instruction dated May 29, 1979. The instructions give JPMC the exclusive responsibility for importing, storing and selling explosive raw materials in Jordan. Currently, instructions to import and store explosive materials are indefinite. For this activity, enterprise deals with imports.

The main reason for granting this exclusivity is security, given the fact that JPMC is the prime user of these raw materials. Currently JPMC imports the following: ammonium nitrate (used for explosive purposes), detonating fuses, safety fuses, ordinary aluminum detonators, electrical detonators, igniters, and sodium nitrate. Special gelatin is presently bought from the local market, however, other local enterprises have to still buy gelatine through JPMC.

B. Whether private traders are allowed to import or export and, if so, on what conditions?

Phosphate rocks: To date, JPMC has been the sole exporter of phosphate in Jordan. Local private traders are not allowed to export. International private traders are allowed to export if they are opening new markets and they are not undercutting the prices of JPMC in international markets. There is no restriction on import of phosphate rocks; however, no imports have been made due to the fact that Jordan has large deposits of phosphate.

Fertilizers and other raw materials currently being produced by JPMC's industrial complex: to date, JPMC is the sole exporter of its fertilizer and raw materials production. Other private traders can import and export the different types of fertilizers and raw materials.

Explosive raw materials: Private traders are not allowed to import or export the above- mentioned explosive materials. Users can only purchase same from JPMC subject to the approval and direct supervision of the Police Department.

C. Whether there is free competition between private traders and the State-trading enterprise?

With regard to phosphate there is no free competition between the State-trading enterprise and private traders as JPMC has the exclusive right to mine and the ability to designate who may export.

With regard to fertilizers and other raw materials, JPMC directly imports its needed raw material and directly exports to international market. Private traders can export finished products if they do not undercut JPMC prices and penetrate the markets where JPMC sells. Other fertilizer companies operate in Jordan and are free to conduct their commercial activities as they see fit.

With regard to explosive materials, there is no competition between private traders and the State Trader, as private traders are not allowed to import or sell these materials.

D. Criteria used for determining the quantities to be exported or imported.

Phosphate: the main criteria used for determining quantities to be exported are tenders, estimated level of international demand and anticipated market penetration rate, production capacities of the different mines, sales agreements that have already been concluded with local Joint Ventures and spot trade for trial purposes.

DAP Fertilizers (DI-Ammonium Phosphate) and other related raw materials: the main criteria are production capacities and spot tenders. Production capacities are limited.

Explosive Materials: Quantities purchased depend on JPMC needs, local market demand and the availability of storage space. JPMC consumes 80% of total imports. Given the fact that these raw materials require significant space for safety measures, the responsible department usually imports a supply of two months to minimize explosion risks, especially ammonium nitrate (explosive grade).

E. How export prices are determined; how the mark-up on imported products is determined; how export prices and the re-sale prices of imports compare with domestic prices.

Phosphate: export prices currently are determined by international commodity prices. Prices are set in accordance with prevailing phosphate prices in the international market, which are highly related to demand.

Fertilizers DAP, (DI-Ammonium Phosphate): prices are determined by international prices, which change on weekly basis. The main price indicators are the North Africa (Morocco and Tunis), Russia and U.S.A. fertilizer market prices.

Explosive Materials: currently, the re-sale price of imports is determined as follows: Cost + transportation + Customs + direct and indirect expenses + profit margin of 20%. Handling expenses are very high due to high security measures that the Police and Department of Security require.

F. Whether long- term contracts are negotiated by the State-trading enterprise; whether State Trading methods are used to fulfill contractual obligations entered into by the government.

Contracts are negotiated on commercial basis. JPMC has not fulfilled contractual obligations entered to by the government.

II. Statistical Information:

Jordan Phosphate Mines Co.

Product / Year	1999	1998	1997	1996
Phosphate				
National Production- ton	6,013,610	5,925,000	5,895,000	5,355,000
Production of enterprise- ton	6,013,610	5,925,000	5,895,000	5,355,000
National Production-USD	N.A.	N.A.	N.A.	N.A.
Production of enterprise-USD	N.A.	N.A.	N.A.	N.A.
National exports in tons	4,447,119	4,560,000	4,718,000	4,352,000
Company exports in tons	4,447,119	4,560,000	4,718,000	4,352,000
National exports in USD	187,752,900	194,360,000	202,744,000	178,421,000
Company exports in USD	187,752,900	194,360,000	202,744,000	178,421,000

Source: JPMC Annual Report and Finance Department

JPMC

Explosive materials

Product / Year	1999	1998	1997	1996
Ammonium Nitrate/ Explosive grade				
National Imports volume/tons	22,869	20,000	17,000	12,000
National Imports value/USD	-	-	-	-
Co. imports in Volume/ton	22,869	20,000	17,000	12,000
Co. imports in value/USD	4,733,883	5,120,745	3,875,652	2,851,799
Detonating Fuse/ Cortex				
National Imports volume/meters	2.7m	6.0 m	6.0 m	4.0 m
National Imports value/USD	-	-	-	-
Co. imports in Volume/meters	2.7m	6.0 m	6.0 m	4.0 m
Co. imports in value/USD	272,230	682,611	704,225	421,070
Safety Fuse/regular				
National Imports volume/meters		1.0 m	250,000	250,000
National Imports value/USD				
Co. imports in Volume/meters	0	1.0 m	250,000	250,000
Co. imports in value/USD	0	81,986	19,014	15,549
Ordinary Aluminum Detonator				
National Imports volume/piece	0	0	0.5m	0
National Imports value/USD				
Co. imports in Volume/piece	0	0	0.5m	0
Co. imports in value/USD			22,723	
Electric Detonator				
National Imports volume/piece	0	0	1.0m	0
National Imports value/USD				

Co. imports in Volume/piece	0	0	1.0m	0
Co. imports in value/USD			132,207	

Igniters

National Imports volume/piece	0	0	15,000	0
National Imports value/USD				
Co. imports in Volume/piece	0	0	15,000	0
Co. imports in value/USD			10,845	

Sodium Nitrate

National Imports volume/ton	0	50	0	0
National Imports value/USD				
Co. imports in Volume/ton	0	50	0	0
Co. imports in value/USD	0	24,627		

Source: Jordan Phosphate Mines Co.

National imports = Co. imports

*Army and other Security figures are not available

III. Reasons why no foreign trade has taken place (if this is the case) in products affected.

Foreign trade has taken place. Please see answer in section II.

IV. Additional information

None

JORDAN VEGETABLE OIL INDUSTRIES Co. Ltd.

I. Description of Enterprise

A. Describe item by item, the functioning of such enterprise and state in particular whether the enterprise deals with exports or with imports or with both?

Jordan Vegetable Oil Industries Co. Ltd. is a public shareholding company that was established in 1956. The company produces edible vegetable oils and ghee (margarine) and sells in the local and international market. Previously, the company's concession agreement gave them the exclusive rights to produce and export vegetable oil. The concession was valid for thirty years effective from 1956 through 1986 (Decision of the Prime Minister No. 181, dated March 26, 1956). The concession was then renegotiated and renewed for fifteen years with its exclusivity being applicable only to vegetable ghee (margarine) and not oils. Concession agreement is valid through the year 2001. The enterprise deals with exports only.

In practice, however, exclusivity is not enforced. It is estimated that nine other companies are licensed to produce ghee (margarine) and oil, and some of these companies export their production to international markets.

B. Whether private traders are allowed to import or export and, if so, on what conditions?

Private traders are not allowed to export vegetable ghee (margarine) as per the terms of the concession agreement. Nevertheless, as noted above, export activities have taken place during the past years by other manufacturers and private traders. Jordan Vegetable Oil industries Co. Ltd., either exports directly or through private traders to international markets. There is no restriction on imports

C. Whether there is free competition between private traders and the State trading enterprises?

There is free competition. Other companies have licenses to produce vegetable ghee (margarine) and do sell them in the local and international markets. Jordan Vegetable Oil Industries Co. Ltd. exports through private traders and directly.

D. Criteria used for determining the quantities to be exported or imported.

The main criterion used for determining quantities to be exported is demand.

E. How export prices are determined; how the mark-up on imported products is determined; how export prices and the re-sale prices of import compare with domestic prices?

Export prices are determined by international market prices. Pricing is determined on competitive basis.

F. Whether long-term contracts are negotiated by the State-trading enterprise; whether States Trading methods are used to fulfill contractual obligations entered into by the government.

Contracts are negotiated on commercial basis. Jordan Vegetable Oil industries Co. Ltd. does not fulfil contractual obligations entered to by the government.

II. Statistical Information:

Jordan Vegetable Oil Industries Co. Ltd.

Product / year	1999	1998	1997	1996
Ghee (margarine) (Vegetable origin)				
National Production- ton	N.A	N.A	N.A	N.A
Production of enterprise- ton	21,911	27,682	23,188	21,108
National Production-USD	N.A	N.A	N.A	N.A
Production of enterprise-USD	N.A	N.A	N.A	N.A
National exports in tons				
Company exports in tons	5,903	17, 189	12,751	10,328
National exports in USD				
Company exports in USD	5,597,116	14,570,814	11,464,632	10,302, 290

Source: company figures / Jordan Vegetable Oil Industries Co. Ltd.

* Exchange rate used USD 1.708: JD1

III. Reasons why no foreign trade has taken place (if this is the case) in products effected.

Foreign trade has taken place. See section II.

Exclusive rights of the concession agreement are not enforced, as noted above. It is estimated that nine other companies are licensed to produce Ghee (margarine) and oil and some export their production to international markets.

IV. Additional information

The Jordan Vegetable Oil Industries Company is no longer exempt from Customs Tax as of March 2000. This has resulted in a 5.5%- 6% increase in costs.

JORDAN TANNING Co. Ltd. (JTCL)

I. Description of Enterprise

A. Describe item by item, the functioning of such enterprise and state in particular whether the enterprise deals with exports or with imports or with both?

JTCL was established in 1957 as a public shareholding company. The government and the private sector jointly own JTCL. JTCL is registered on the Amman Financial Market (AFM) and its shares are traded publicly to local and foreign investors subject to the laws and regulations of AFM.

JTCL concession agreement was granted in 1962. Law No. 9 was issued, to enact and notarize the concession agreement granted by the government of Jordan. The concession is valid for forty years and will expire in March 2002. The concession agreement grants JTCL the exclusive right to import rawhides and skins, the exclusive right to export rawhides and skins, and the exclusive right to export tanned leather. Other traders may import tanned leather for use in their manufacturing operations. The enterprise deals with export and imports.

JTCL main activities include local purchase of rawhides and skins, importation of required rawhides and skins, tanning of leather (in part or in whole), export of tanned leather, and manufacture of shoes. Currently, JTCL produces the following types of leather: upper leather, lining leather, sole leather, and pickled leather.

Shoe manufacturing activity is primarily for boots. Two-thirds of the JTCL leather production goes to JTCL's own shoe factory that manufactures mainly army boots to supply Jordan's armed forces, air force, public security and civil defense.

B. Whether private traders are allowed to import or export and, if so, on what conditions?

Private traders are not allowed to import or export rawhides and skins. Private traders are allowed to import tanned leather. Private traders are not allowed to export tanned leather.

C. Whether there is free competition between private traders and the State trading enterprises?

For tanned leather there is free competition in importing. Private traders can import any type of leather from international markets.

JTCL is the only exporter of tanned leather in the local market as it is the only enterprise that tans leather.

For rawhides and skins there is no competition.

JTCL is the only major buyer in the local market. Some trading activity is apparent in the local market amongst traditional and hand craft shops, but is not of major importance.

JTCL is the only exporter of rawhides and skins in Jordan.

D. Criteria used for determining the quantities to be exported or imported.

The main criteria used to determine the quantities of rawhides and tanned leather to be imported are JTCL own consumption (shoe factory) and local market needs, if any. For exporting, the main criteria are JTCL production capacity, export market demand, and availability of local supply of rawhides and skins.

E. How export prices are determined; how the mark-up on imported products is determined; how export prices and the re-sale prices of import compare with domestic prices?

JTCL's export prices for tanned leather and rawhides and skins are determined in accordance with international market rates. Free competition - supply and demand - is the major determinant of price.

JTCL's resale prices of imports of rawhides and skins are determined in accordance with actual expenses plus profit. Given the fact that JTCL is the only tanning company in Jordan, there is no basis for price comparison to other domestic prices.

F. Whether long-term contracts are negotiated by the State-trading enterprise; whether States Trading methods are used to fulfill contractual obligations entered into by the government.

All contractual obligations are negotiated on commercial basis. JTCL does not fulfill any contractual obligations entered into by the government. Sales to the Government of Jordan are usually tendered and awarded to best bidder.

II. Statistical Information:

Jordan Tanning Co. Ltd.

Product / year	1999*	1998	1997	1996
Leather				
National Production-sq ft	2,347,903	3,033,648	4,204,082	4,250,404
Production of enterprise- sq ft	2,347,903	3,033,648	4,204,082	4,250,404
National Production-kg	27,184	33,650	46,679	54,388
Production of enterprise- kg	27,184	33,650	46,679	54,388
National Production-USD	N.A	N.A.	N.A.	N.A.
Production of enterprise-USD	N.A	N.A.	N.A.	N.A.
National exports in sq ft	N.A	N.A.	N.A.	N.A.
Company exports in sq ft	N.A	N.A.	N.A.	N.A.
National exports in kg	N.A	N.A.	N.A.	N.A.
Company exports in kg	N.A	N.A.	N.A.	N.A.
National exports in USD	1,260,437	2,046,334	4,170,899	10,745,889
Company exports in USD	1,260,437	2,046,334	4,170,899	10,745,889
National imports in sq ft	N.A	N.A.	N.A.	N.A.
Company imports in sq ft	N.A	N.A.	N.A.	N.A.
Company imports in JOD	12,881	375,000	237,000	700,000
Company imports in USD	22,000	528,169	333,803	985,915

Source: Jordan Tanning Co. Ltd. / Annual reports and Finance Department.

**Exchange rate JD1: USD1.708*

III. Reasons why no foreign trade has taken place (if this is the case) in products effected.

See section II.

IV. Additional information

None

MINISTRY OF INDUSTRY AND TRADE

I. Description of Enterprise

A. Describe, item by item, the functioning of such enterprise and state in particular whether the enterprise deals with exports or with imports or with both?

The Ministry of Industry and Trade (“Ministry”) is the sole importer of wheat bran for animal feed. The Ministry only imports the country’s needs in time of drought. The Ministry does not engage in any export activities.

B. Whether private traders are allowed to import or export and, if so, on what conditions?

Private traders are not allowed to import. No export activities have taken place during the past three years. There is no restriction on exports.

C. Whether there is free competition between private traders and the State trading enterprises?

There is not free competition. The Ministry of Industry and Trade is the only entity that is currently allowed to import.

D. Criteria used for determining the quantities to be exported or imported.

The main criteria used for determining quantities to be imported is demand of feeding needs of the livestock owners, particularly in drought conditions, as well as price.

No export activity.

E. How export prices are determined; how the mark-up on imported products is determined; how export prices and the re-sale prices of import compare with domestic prices?

The government sells imported wheat bran at a loss. The Ministry does not cover the cost of import and, therefore, only imports in emergencies.

F. Whether long-term contracts are negotiated by the State-trading enterprise; whether States Trading methods are used to fulfill contractual obligations entered into by the government.

No long-term contracts are negotiated. The Ministry puts a tender for purchasing wheat bran for animal feed. The Ministry makes purchases from the source(s) that offer(s) the best bid.

II. Statistical Information:

During the year 1999, the government imported 11,434 tons of Wheat Bran.

III. Reasons why no foreign trade has taken place (if this is the case) in products effected.

Foreign trade has not taken place during the period 1990-1998 because there was no drought during this period.

IV. Additional information

None.